



925 West Georgia Street
Vancouver, B.C. Canada
V6C 3L2
Telephone: (604) 661-8000

For personal contact:

wn.cafferata@mbld.com
March 2., 1999

Father Charles Brandt
Chair, Watershed Protection Committee
Oyster River Enhancement Society
2364 Catherwood Road
Black Creek, B.C.
V9J 1J3

Dear Father Brandt:

Thank you for your letter to our C.E.O., Mr. Tom Stephens, of 1999, February 1, regarding Pearl Lake, and for recognizing that MacMillan Bloedel is working hard to meet public expectations regarding forest practices. Our participation in the success of the Oyster River Watershed Management Committee gives substance to our claim.

We recognize the concerns of your group about the possible impacts that harvesting in the vicinity of Pearl Lake may have on the quality of fish habitat in the Oyster River. We also recognize that deferral of this area from logging, by trading it for a less contentious area, is probably the easiest way to allay your concerns.

However, our past efforts to conclude land trades involving Pearl Lake have not succeeded. At this time, the Province is actively engaged in completing its Goal II objectives for land trades. As Pearl Lake is not part of this process, our view is that there is virtually no opportunity for concluding a successful trade involving Pearl Lake. The eventual reality is that at some point it will be extremely difficult for B.C. society to place more lands into park status.

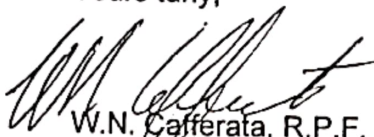
This brings squarely back to the stakeholders the problem of finding a way to meet differing objectives from the same resource base. MB has a clear obligation to manage its lands in a way that will generate a financial return for its shareholders, who are mainly pension funds. The Oyster River Enhancement Society has an obligation to ensure that fish habitat, and fish productivity, is sustained. An obvious place of common ground in this situation are the beneficiaries of those pension funds: they expect to be able to have a quality of life that affords fishing, and they also expect a quality of environment that provides a good opportunity to catch fish.

MacMillan Bloedel's foresters and loggers work successfully within a number of community watersheds to maintain water quality for human consumption. We are also accepted as a sincere and competent participant in the Oyster River Watershed Management Committee. Therefore I suggest that we turn our energies towards finding a resolution to the Pearl Lake issue that satisfies the interests of both parties. In my view, accomplishment of this goal is achievable, and it would be a clear, and needed, demonstration of the ability of a civil society to work to sustain natural attributes.

Mr. J.G. (Jim) Jackson, Manager of our North Islands Woodlands Division, is fully empowered to engage his resources in this task. I would encourage you to explore this opportunity with Jim and his people.

I look forward to your thoughts on our proposal.

Yours truly,



W.N. Cafferata, R.P.F.

Vice President, Chief Forester

wnc: Father Charles Brandt

cc: W.T. Stephens
C.D. Neeser
J.G. Jackson